

Whereas this dramatic shift in market share has had a tremendous impact, resulting in the loss of over 60,000 high-paying United States aerospace jobs;

Whereas on October 6, 2004, the United States Trade Representative filed a complaint at the World Trade Organization on the basis that all of the subsidies that the European Union and its Member States have provided to Airbus violate World Trade Organization rules;

Whereas on January 11, 2005, the European Union agreed to freeze the provision of launch aid and other government support and negotiate with a view to reaching a comprehensive, bilateral agreement covering all government supports in the large civil aircraft sector;

Whereas the Bush administration has shown strong leadership and dedication to bring about a fair resolution during the negotiations;

Whereas Airbus received \$6,200,000,000 in government subsidies to build the A380;

Whereas Airbus has now committed to develop and produce yet another new model, the A350, even before the A380 is out of the development phase;

Whereas Airbus has stated that it does not need launch aid to build the A350, but has nevertheless applied for and European governments are prepared to provide \$1,700,000,000 in new launch aid; and

Whereas European governments are apparently determined to target the United States aerospace sector and Boeing's position in the large civil aircraft market by providing Airbus with continuing support to lower its costs and reduce its risk: Now, therefore, be it

*Resolved by the Senate (the House of Representatives concurring), That—*

(1) European governments should reject Airbus' pending application for launch aid for the A350 and any future applications for launch aid;

(2) the European Union, acting for itself and on behalf of its Member States, should renew its commitment to the terms agreed to on January 11, 2005;

(3) the United States Trade Representative should request the formation of a World Trade Organization dispute resolution panel at the earliest possible opportunity if there is no immediate agreement to eliminate launch aid for the A350 and all future models and no concrete progress toward a comprehensive bilateral agreement covering all government supports in the large aircraft sector; and

(4) the President should take any additional action the President considers appropriate to protect the interests of the United States in fair competition in the large commercial aircraft market.

#### AIRBUS SUBSIDIES

Mr. FRIST. Mr. President, I am pleased that the Senate voted this afternoon in support of the resolution I submitted along with the Democratic leader, Senator REID, and the chairman and ranking member of the Senate Finance Committee expressing the Senate's concern about various subsidies provided by European governments to Airbus. This resolution sends a strong signal that the Senate supports the President's leadership and commitment to leveling the playing field in the large civil aircraft market.

As many of my colleagues know, the administration has been working hard to resolve this issue through the World

Trade Organization, WTO. Last October, the United States filed a complaint at the WTO alleging that the subsidies provided to Airbus were in violation of WTO rules. This January, the European Union agreed to freeze launch aid payments and other support to Airbus while attempting to negotiate a comprehensive agreement on government support to the civil aircraft sector.

Unfortunately, despite the heroic efforts by former U.S. Trade Representative and current Deputy Secretary of State Robert Zoellick, the negotiations begun in January have broken down. Nevertheless, I want to commend him in particular for his involvement in these talks and his commitment to achieving a fair resolution of this issue. Since January, there has been little discernible progress in addressing the launch aid issue, which directly affects Boeing, Airbus's main competitor in the civil aircraft market.

The Senate, in passing this resolution today, is stating very clearly that EU subsidies to Airbus must end and that launch aid must be rejected in order to avoid WTO action by the U.S. I am encouraged by the comments of EU Trade Commissioner Mandelson in favor of extending the negotiation period that expires today to give both sides more time to reach a fair deal. However, additional discussions will only be productive if Commissioner Mandelson recommitments to the framework agreed to 90 days ago. If the EU continues to flout the January agreement, WTO action may be unavoidable.

In addition, in my view, if the EU were to provide any new launch aid support for the A350, the U.S. would have no choice but to immediately request a WTO panel. This would be the largest trade dispute in the history of the WTO. I hope we do not have to go that route. It would be much better if both sides would come back to the table and restart substantive negotiations with the goal of reaching a bilateral agreement. American companies can compete with anyone in the world, but not on an uneven playing field. Airbus is a mature, profitable company that should compete on commercial terms without government subsidies. This resolution today says that we believe the playing field must be leveled for all competitors in the commercial aircraft market.

#### FOURTH "RESOLVED" CLAUSE

Mr. LOTT. Mr. President, I would ask the majority leader, who sponsored this concurrent resolution, to clarify his intended meaning of the fourth "Resolved" clause on page four of the resolution. I am specifically interested in the intention of the use of the terms "any additional action" and "large commercial aircraft market." I ask because the aerospace industry is an integrated and global industry. In most every instance, aerospace companies are vertically integrated to some degree and they are engaged in many other related activities. In many in-

stances, they are component manufacturers, as well as platform manufacturers. Would it be correct to understand that the majority leader does not intend that this clause target these other business activities that are not directly associated with the marketing and sale of large fixed-wing aircraft to commercial carriers in the passenger transportation market?

Mr. FRIST. Mr. President, I thank the Senator for his question. The phrases "any additional action" and "large commercial aircraft market" are solely intended to address those activities associated with business activities regarding the marketing and sale of large fixed-wing aircraft to commercial carriers in the passenger transportation market. They are not intended to address business activities of any specific company at the secondary or tertiary supplier level. Nor are they intended to address other business activities of any specific company engaged in other platform-related activities.

Mr. LOTT. Mr. President, I thank the majority leader for his response. Additionally, I understand that it is not the purpose of this resolution, and more specifically of the fourth "Resolved" clause, to suggest punitive action be taken against any company's activities related to products sold to U.S. Government agencies, such as the Department of Defense, Department of Homeland Security, or the U.S. Coast Guard, whether those products are radars, components of radars, or helicopters. Is this understanding correct?

Mr. FRIST. Mr. President, I agree with the understanding of the Senator from Mississippi.

Mr. LOTT. Mr. President, I thank the majority leader for his clarification of the resolution and its intent. I would encourage all of my colleagues to consider with care the possibility of unintended consequences. The complexity of this industry is such that my State and almost every State has numerous business and economic interests that could be negatively impacted if we are not careful about how we respond to a legitimate concern.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. INHOFE. Mr. President, I would like to be recognized for two unanimous consent requests.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### MORNING BUSINESS

Mr. INHOFE. Mr. President, on behalf of the leader, I ask unanimous consent that there now be a period of morning business with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. INHOFE. Mr. President, I ask unanimous consent that the two Senators from Washington, Senators CANTWELL and MURRAY, be recognized now to speak for up to 30 minutes and that